

104TH CONGRESS
2D SESSION

H. R. 3478

To amend the Internal Revenue Code of 1986 to eliminate tax deductions for advertising and goodwill expenditures relating to alcohol beverages.

IN THE HOUSE OF REPRESENTATIVES

MAY 16, 1996

Mr. KENNEDY of Massachusetts (for himself, Mr. HINCHEY, Mr. FALEOMAVAEGA, and Mr. FATTAH) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to eliminate tax deductions for advertising and goodwill expenditures relating to alcohol beverages.

1 *Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,*

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “The Alcohol Promotion
5 and Advertising Tax Fairness Act”.

1 **SEC. 2. DISALLOWANCE OF DEDUCTION FOR ADVERTISING**
2 **AND GOODWILL EXPENSES RELATING TO AL-**
3 **COHOLIC BEVERAGES.**

4 (a) IN GENERAL.—Part IX of subchapter B of chapter
5 1 of the Internal Revenue Code of 1986 (relating to
6 items not deductible) is amended by adding at the end
7 the following new section:

8 **“SEC. 280I. ADVERTISING AND GOODWILL EXPENDITURES**
9 **RELATING TO ALCOHOLIC BEVERAGES.**

10 “(a) IN GENERAL.—No deduction otherwise allow-
11 able under this chapter shall be allowed for any amount
12 paid or incurred to advertise (by means of television,
13 radio, other electronic means, newspaper or other periodi-
14 cal, billboard, or any other means), or promote goodwill
15 regarding, any alcoholic beverage.

16 “(b) ALCOHOLIC BEVERAGE.—For purposes of this
17 section, the term ‘alcoholic beverage’ means any item
18 which is subject to tax under subpart A, C, or D of part
19 I of subchapter A of chapter 51 (relating to taxes on dis-
20 tilled spirits, wines, and beer).”

21 (b) CLERICAL AMENDMENT.—The table of sections
22 for part IX of subchapter B of chapter 1 of such Code
23 is amended by adding at the end the following new item:

“Sec. 280I. Advertising and goodwill expenditures relating to alco-
holic beverages.”

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to amounts paid or incurred after
3 the date of the enactment of this Act.

